



U. S. Department of Housing and Urban Development  
Birmingham Office  
Region IV  
Medical Forum Building, Suite 900  
950 22<sup>nd</sup> Street, North  
Birmingham, Alabama 35203-5301

December 30, 2008

Mr. Bill Johnson  
Alabama Department of Economic and  
Community Affairs  
PO Box 5690  
Montgomery, AL 36103-5690

Dear Mr. Johnson:

HUD cannot approve your Neighborhood Stabilization Program (NSP) amendment at this time because it does not meet the NSP requirements as specified below. HUD's Office of Community Planning and Development will continue to work with your jurisdiction to insure that its NSP amendment meets the requirements of the NSP as set forth in the Department's October 6, 2008 Notice in the Federal Register.

☐ General Submission Requirements

☒ Areas of Greatest Need

☐ Distribution and Uses of Funds

☐ Definitions and Descriptions

☐ Low Income Targeting

☐ Acquisitions and Relocation

☐ Information by Activity

*HUD's mission is to increase homeownership, support community development and increase access to affordable housing free from discrimination.*

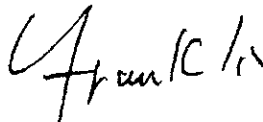
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Specific Issues to be Addressed and Requested Actions:

HUD Headquarters staff reviewed the proposed amendment and have found: "In its submission, the state does address the three criteria for determining the area of greatest need; areas with the greatest percentage of home foreclosures, areas with the highest percentage of subprime mortgages and areas likely to face a significant rise in foreclosures. However, in presenting its data, the state lacks specificity, in that there is not an adequate dissemination of the data. For example, the state lists 7 priority communities and 47 qualifying communities, with the remainder of the state considered "balance of state" communities. This type of broad canvas has led to non-approval for other jurisdictions with the recommendation of a more narrow approach, and we believe this approach is appropriate in this case."

While you have up to 45 days from the date of this letter to provide additional information, HUD urges you to respond as quickly as possible in order to expedite processing of your jurisdiction's NSP grant. Please keep in mind that the Notice requires all NSP resubmissions be received by HUD not later than February 13, 2009. We look forward to working expeditiously with you and your staff.

Sincerely,



Charles Franklin  
CPD Director

cc:  
Shabbir Olia